

BUSINESS IN NEBRASKA

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Population Change in Nebraska Towns

The previous issue of BUSINESS IN NEBRASKA contained an article on the distribution of four types of service facilities among the towns and cities of the state. Since then, 1950 Census of Population data for towns have become available. For the first time we are able to appraise the deeper forces affecting urban life in Nebraska during the past decade. The 1940's were radically different from the 1930's. Ten years of drought and depression were succeeded by ten years of war and prosperity. What difference did this make to town life?

The first table, below, gives the ratios of change, first for the interval 1930 to 1940, then for the interval 1940 to 1950, and finally the net or total change from 1930 to 1950. The population of the state decreased during the first decade but increased slightly in the second. At least in this respect the past ten years of prosperity have proved beneficial

to Nebraska. When we examine the rest of the table, however, we see that the underlying tendencies of change were the same in both periods. The decline of the rural and small-town population proceeded at about the same rate in the second interval as in the first, and the larger cities continued to grow.

The population outside of towns as counted in this table is not the same as the census classification of "rural population," which includes all persons not living in cities of at least 2500. Our classification is that of persons not living in towns of any size. This type of rural resident dropped

MEDIAN CHANGES IN POPULATION, 1940 to 1950
All Nebraska Towns, Classified by 1940 Size

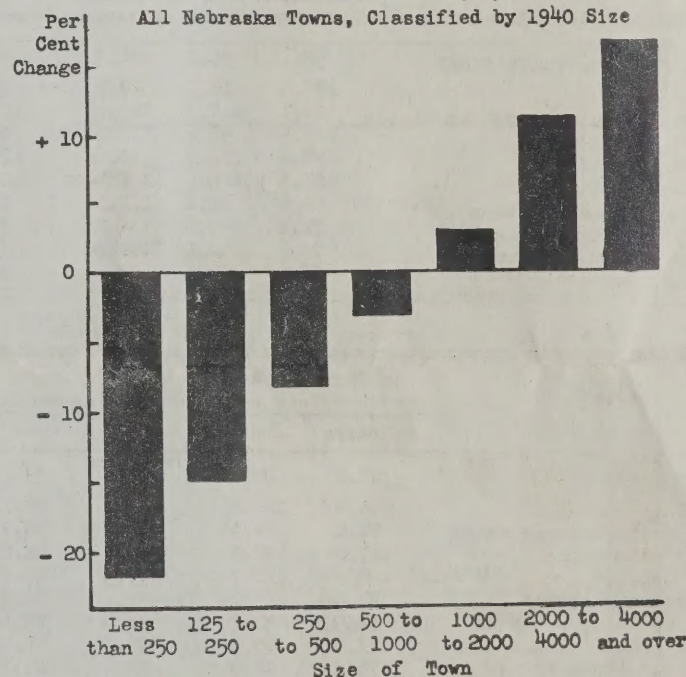


Table 1. CHANGES IN POPULATION IN NEBRASKA

Measure and Size of Town	Per Cent Change		
	1930 to 1940	1940 to 1950	1930 to 1950
TOTAL STATE POPULATION	95.5	100.7	96.2
Outside of towns	85.9	86.1	74.1
Population in towns ¹	103.5	110.9	114.8
Towns under 1,000	95.6	93.0	88.9
Towns 1,000 and over	105.6	115.2	121.7
First decile: all towns	79.5	71.7	64.2
Towns under 1,000	77.2	70.2	61.9
Towns 1,000 and over	90.6	91.8	91.3
Median: all towns	96.8	93.9	89.1
Towns under 1,000	94.9	90.3	84.9
Towns 1,000 and over	103.8	106.9	110.9
Ninth decile: all towns	116.8	119.2	123.9
Towns under 1,000	115.2	112.3	111.1
Towns 1,000 and over	119.7	129.1	150.6
Median by size groups: ²			
Towns under 125	103.9	78.3	75.0
125 → 250	92.1	85.1	77.9
250 → 500	94.1	91.8	85.2
500 → 1,000	97.2	97.0	92.1
1,000 → 2,000	102.6	103.0	105.3
2,000 → 4,000	106.5	111.3	119.0
4,000 and over	103.3	116.7	117.5

¹Classification into "towns under 1,000" and "towns 1,000 and over" is on basis of 1940 population.

²First and third columns classified by size in 1930; second column by size in 1940.

by 14 per cent in both periods. The population within towns increased both times. Breaking this group down, however, we find a difference between the larger and the smaller places. Those with less than 1,000 population (in 1940) declined in each decade, in the second more than the first. Those having over 1,000 persons had the opposite type of movement. The cumulative effect over 20 years has been a fall of 26 outside of towns and of 11 per cent in small (continued on last page)

Business Summary

The business slump continues in Nebraska as in the nation. Both the Dollar Volume and the Physical Volume fell from May to June, and the Physical Volume was barely above that of a year ago. This is not, as often assumed, merely a decline in retail sales, but extends to such series as bank debits, life insurance sales, cash farm marketings, newspaper advertizing, and gasoline sales. The comparison of retail sales with last year is hardly fair, since the mad buying spree following the

outbreak of war was in full swing a year ago.

There is still a delicate balance between the powerful factors making for depression, and the armament race, which is acting as a temporary stimulus. These forces were described in BUSINESS IN NEBRASKA for January of 1950 and again in the issue of January, 1951. The depression factor has been more potent and the inflationary pressure of government spending less potent than business experts supposed, but they continue to expect inflation. Ultimately war or depression may come.

NEBRASKA and the UNITED STATES

June Business Indicators	Per Cent of 1939 Average		Per Cent of Same Month a Year Ago		Per Cent of Preceding Month	
	Nebraska U. S.		Nebraska U. S.		Nebraska U. S.	
	Nebraska	U. S.	Nebraska	U. S.	Nebraska	U. S.
DOLLAR VOLUME OF BUSINESS	357.7	370.4	103.0	109.4	95.7	97.3
PHYSICAL VOLUME OF BUSINESS	194.8	199.1	100.9	102.8	97.2	99.1
Bank debits (checks, etc.)	395.6	396.4	112.4	113.9	97.6	101.3
Building construction	448.9	548.7	85.9	105.3	112.4	106.0
Retail sales	324.6	351.9	96.8	103.1	96.7	99.4
Life insurance sales	282.4	275.8	112.0	104.1	88.7	97.7
Cash farm marketings	369.9	326.5	116.1	116.0	94.2	101.1
Electricity produced	268.1	335.7	108.1	111.8	102.2	99.9
Newspaper advertising	306.7	194.9	90.5	96.6	89.4	89.3
Manufacturing employment	226.0	169.4	110.4	108.2	104.0	100.2
Other employment	147.8	154.4	103.2	104.3	100.3	100.9
Gasoline sales	215.6	216.5	98.4	112.5	92.8	114.6

PHYSICAL VOLUME OF BUSINESS

Percentages of 1939 Average

Month	Nebraska		U. S.	
	1950	1951	1950	1951
January	179.3	210.9	182.0	205.9
February	181.1	209.8	180.6	198.2
March	186.2	206.2	183.3	197.5
April	181.9	198.8	183.0	200.3
May	189.5	200.4	191.3	201.0
June	193.2	194.8	193.7	199.1
July	193.6		194.8	
August	203.6		203.8	
September	197.7		201.3	
October	192.2		199.6	
November	200.4		199.6	
December	206.7		194.8	

The STATE, OMAHA, and LINCOLN

July Business Indicators	Per Cent of Same Month a Year Ago			Per Cent of Preceding Month		
	Nebraska	Omaha	Lincoln	Nebraska	Omaha	Lincoln
	Nebraska	Omaha	Lincoln	Nebraska	Omaha	Lincoln
UNADJUSTED AVERAGE INDEX	98.1	90.2	105.3	92.2	91.0	92.2
Bank debits	107.3	114.3	95.7	95.8	102.5	87.6
Electricity consumed in cities	114.1	117.3	109.6	108.4	109.6	103.2
Gas consumed	118.4	96.6	111.7	84.4	83.4	89.3
Water pumped	105.6	110.7	102.6	125.1	115.6	131.3
Postal receipts	101.5	100.9	102.4	102.2	96.9	105.1
Newspaper advertising	94.0	61.6	111.1	87.2	82.2	87.2
Building permits issued	71.2	48.6	186.2	77.4	65.5	77.7
City mortgages recorded	70.6	62.2	101.0	73.6	82.4	50.1
Retail sales	82.0	80.5	87.6	91.4	89.7	93.5

SELECTED PRICE INDEXES

Price Index	June 1951	July 1951	Per Cent of a Year Ago
All consumer prices	185.2	- - -	108.8
Retail store prices	206.5	- - -	110.2
Paid by farmers	218.0	217.2	109.7
Received by farmers (Nebraska)*	347.6	340.6	110.5
Hourly mfg. wages	268.2	- - -	110.4
Wholesale prices	225.5	- - -	115.5
Construction costs*	237.2	- - -	109.4
Stock market prices	180.9	182.6	124.7

All prices are for the U.S. unless noted. Base period is the 1935-39 average, except those marked (*), for which it is 1939.

RETAIL SALES, by Subgroups, for the STATE and OMAHA

July Type of Store	Per Cent of Same Month a Year Ago		Per Cent of Preceding Month	
	Nebraska	Omaha	Nebraska	Omaha
	Nebraska	Omaha	Nebraska	Omaha
ALL STORES	82.0	80.5	91.4	89.7
Food stores	102.9	104.2	82.3	86.1
Groceries and meats	97.0	94.3	74.8	78.7
Restaurants	117.5	122.8	94.7	91.0
Dairies and other food	108.8	112.7	97.3	97.3
Housing stores	82.5	85.2	91.1	92.8
Building material	84.9	80.7	91.6	89.6
Hardware dealers	77.5	99.3	94.2	95.6
Furniture stores	79.2	95.3	89.4	101.3
Automotive stores	67.1	56.7	93.9	88.4
Automotive dealers	65.8	56.6	92.7	88.4
Filling stations	90.4	- - -	112.2	- - -
Miscellaneous stores	94.9	98.7	93.4	92.6
Department stores	93.0	- - -	101.7	- - -
Variety stores	97.7	86.5	89.3	88.6
Clothing stores	97.4	- - -	87.0	- - -
Luxury goods stores	104.6	134.6	87.9	94.4
Drug stores	107.9	103.6	95.3	101.6
Fuel and ice dealers	71.4	60.6	95.4	134.6
Other stores	84.2	136.7	104.8	103.3

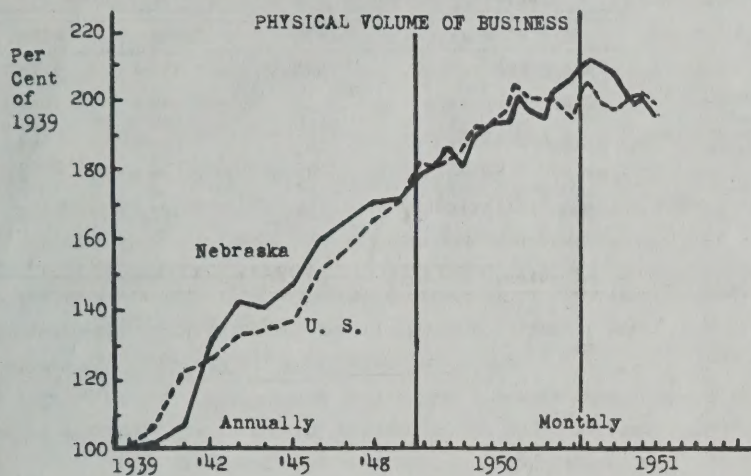
RETAIL SALES, by Groups, LINCOLN and Sample of RURAL COUNTIES

July Type of Store	Per Cent of Same Month a Year Ago		Per Cent of Preceding Month	
	Lincoln	Rural Counties	Lincoln	Rural Counties
	Lincoln	Rural Counties	Lincoln	Rural Counties
ALL STORES	87.6	81.7	93.5	96.6
Food stores	102.3	96.0	94.0	99.0
Housing stores	90.5	67.2	94.9	91.7
Automotive stores	75.6	75.3	89.8	107.2
Miscellaneous stores	97.5	89.0	96.5	91.3

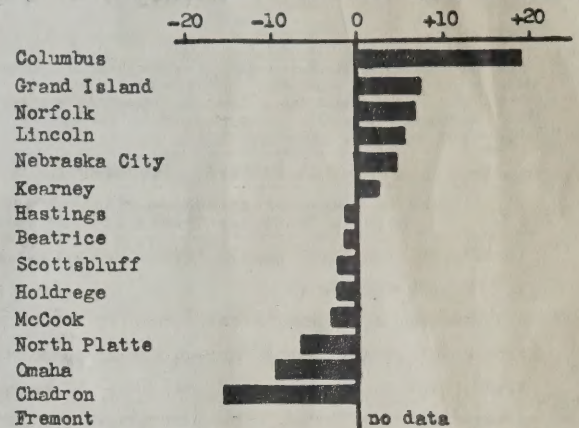
The former "Sample of Small Cities" is now included in the above sample of rural counties.

The DOLLAR VOLUME OF BUSINESS (first table) is a weighted average of the first five series in that table, after each has been adjusted for seasonal changes only. The PHYSICAL VOLUME OF BUSINESS is a weighted average of all ten series in the same table, after each has been adjusted for seasonal changes and, if appropriate, for price-level changes also. These indexes are computed on exactly the same basis for the United States as for Nebraska. In each of the city tables the UNADJUSTED INDEX is an unweighted average of all the available series, omitting the two highest and the two lowest ratios in each case. The series have not been adjusted for seasonal changes nor for price-level changes in computing the Unadjusted Indexes. Retail sales data are from a sample of stores, as collected by the Department of Business Research, in co-operation with the Census. They are dominated by the sales in the larger independent and the smaller chain stores.

ALFRED F. DOMBROWSKI



UNADJUSTED CITY INDEXES
Percentage Change, July 1950, to July 1951



RETAIL SALES IN SAMPLE COUNTIES

County	Per Cent of Same Month a Year Ago	Per Cent of Preceding Month	County	Per Cent of Same Month a Year Ago	Per Cent of Preceding Month
Antelope	105.7	126.0	Franklin	97.8	98.7
Cass	84.8	90.4	Grant-Hooker	79.4	83.7
Chase	86.5	121.8	Kimball	43.9	86.9
Cuming	69.5	88.6	Pawnee	66.4	103.1
Dawes	88.7	96.8	Thayer	71.2	81.2
Dodge, outside Fremont	61.7	121.6	Valley	84.1	95.1

July Business Indicators	Per Cent of Same Month a Year Ago				Per Cent of Preceding Month			
	Grand Island	Scotts-bluff	Holdrege	McCook	Grand Island	Scotts-bluff	Holdrege	McCook
UNADJUSTED CITY INDEX	107.2	97.5	97.2	96.8	99.5	94.0	92.5	91.2
Bank debits	111.7	103.4	101.0	95.8	94.7	91.0	94.5	93.9
Electricity consumed	114.8	108.0	105.5	94.7	110.9	122.7	103.6	97.8
Gas consumed	114.7	119.0	100.4	79.2	74.9	79.4	88.4	64.2
Water pumped	122.2	81.0	61.5	133.1	133.6	148.8	112.3	136.6
Postal receipts	109.6	113.7	89.1	91.9	132.5	109.1	79.6	94.6
Newspaper advertising	- - -	148.2	98.2	86.2	- - -	113.8	83.5	79.7
Building permits issued	36.3	13.2	48.8	218.5	112.1	33.5	62.5	252.4
City mortgages recorded	49.9	27.5	147.3	115.2	79.7	42.4	231.3	69.1
Retail sales	88.4	81.3	- - -	70.5	90.6	76.6	- - -	90.0
Food stores	95.4	114.8	- - -	95.3	95.6	40.8	- - -	93.4
Housing stores	120.9	113.9	- - -	68.1	88.4	93.1	- - -	80.0
Automotive stores	70.5	64.8	- - -	51.8	93.3	94.6	- - -	89.9
Miscellaneous stores	92.7	92.4	- - -	92.2	88.1	90.5	- - -	90.5
	Hastings	Nebraska City	North Platte	Kearney	Hastings	Nebraska City	North Platte	Kearney
UNADJUSTED CITY INDEX	98.2	104.8	93.2	102.5	100.1	97.1	86.5	88.5
Bank debits	95.1	98.6	95.4	102.3	89.5	93.9	93.8	98.6
Electricity consumed	100.6	114.0	117.6	105.5	109.5	95.8	105.1	112.2
Gas consumed	286.7	107.2	126.9	111.3	93.8	86.7	70.1	71.5
Water pumped	111.6	100.0	51.3	104.3	140.6	99.0	75.1	147.2
Postal receipts	99.3	113.6	93.5	97.9	104.0	114.9	99.8	102.2
Newspaper advertising	103.0	- - -	100.9	95.8	80.6	- - -	77.2	81.8
Building permits issued	92.8	Large	45.8	134.7	200.0	99.7	42.3	43.2
City mortgages recorded	76.9	91.8	82.9	66.0	77.9	101.0	109.2	64.5
Retail sales	86.5	76.3	- - -	- - -	103.5	87.5	- - -	- - -
	Beatrice	Norfolk	Columbus	Chadron	Beatrice	Norfolk	Columbus	Chadron
UNADJUSTED CITY INDEX	98.1	106.8	119.0	84.3	95.2	103.0	124.8	84.9
Bank debits	138.4	107.8	110.1	92.4	86.5	95.1	95.6	87.4
Electricity consumed	103.2	112.8	113.6	114.4	96.3	116.2	119.3	95.9
Gas consumed	122.8	104.6	125.7	65.4	83.5	101.9	89.3	71.4
Water pumped	74.3	108.0	128.3	100.0	105.4	132.4	172.2	160.7
Postal receipts	97.1	86.4	126.6	95.2	90.8	111.1	111.9	158.4
Newspaper advertising	- - -	108.3	99.1	- - -	- - -	96.1	90.6	- - -
Building permits issued	22.6	Small	63.9	13.6	153.3	Small	188.0	61.2
City mortgages recorded	94.1	- - -	144.6	57.4	98.4	- - -	184.3	59.4



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We like to place our graduates with Nebraska firms.
Write to Professor Theodore T. Bullock.

(Continued from front page) towns, but a rise of 22 per cent in the larger cities.

There was, of course, great diversity in the amount and direction of change among various towns. Some decreased both times, some increased both times, some increased and then decreased or vice versa. The percentage of change varied by many points even among those which moved in the same direction. To indicate this diversity the first and ninth deciles of the percentages are shown. Even among cities over 1,000 there were many which dropped. The first decile of that set, for the percentage change from 1940 to 1950, is 91.8, which means that 10 per cent of the large cities went down by more than 8 percentage points. On the other hand, the ninth decile of the towns under 1,000 in the same period is 112.3, indicating that 10 per cent of them went up by more than that.

Thus there is not, for any particular town, evidence of a fatal necessity which is driving it to extinction. Plenty of room exists for growth, even among small towns. This conclusion is reinforced by a study, not shown in the table, of the relationship between changes in individual towns in the first and second periods. Not even a slight relationship appears between the degree of population change in the 1930's and the shift in the 1940's. It is utterly impossible to predict, from the change in one period of a particular town's population, what the change in the next period would be. Part of this lack of relationship may be the difference between the forces playing upon the two periods: the one of drought and depression, whose effects were in some parts more severe than in others, and the other period of war and prosperity, which helped some of the places which had been worst hit before, and hurt some which had not been so badly damaged previously.

The last part of Table 1 shows the breakdown of percentage change according to smaller groupings. These results are the subject of the chart on the first page. They are most remarkable. The smaller the town, the more likely to decline. The larger it is, the more likely to become still larger. It appears that the breaking point is very close to 1,000. Any place between 700 and 1,400 is on the fence. Eventually, it may go one way or the other. The smaller places have less hope of growing and more chance of declining, since the trend is against them; the larger places can ride a bit more easily with the times. In no case is the future of a town decided in advance, but in the 700-1,400 group the balance between favorable and unfavorable forces is most nearly even.

The second table gives the number of towns and cities in each size class in each census year. The number of cases of towns under 125 jumped from 45 to 76 in ten years, and the

Table 2. NUMBER OF TOWNS IN EACH SIZE CLASS

Size of Town	1930	1940	1950
ALL TOWNS	528	531	537
Under 125	33	45	76
125 → 250	116	124	116
250 → 500	163	155	138
500 → 1,000	109	102	90
1,000 → 2,000	64	58	63
2,000 → 4,000	25	27	31
4,000 and over	18	20	23

number of large cities also increased. Ultimately we may get into a condition where all our inhabited places are less than 125 or over 4,000, but this is hardly probable. It should be noted that not a single town disappeared over the 20 year interval. This may be because the census will continue to call a town as such, as long as a trace remains.

What are the factors which influence the growth or deterioration of any particular town? The time has been too short since the publication of the new population figures to make a thoro study of these factors, but a few things can be seen at first glance. There are certain well-known causes for the general rural and small-town decline. The first is the movement toward greater agricultural productivity per man. The average size of farm increased in almost every county, and the number of persons working on the farms went down. Not too much emphasis should be placed on this factor. Our preliminary studies do not show a great deal of relationship between such changes and the town population of each county.

The second factor is the trend toward larger cities for retail trade and services. Greater efficiency and variety of goods combine with the use of the automobile in drawing this trade from the smaller to the larger towns. It is not easy to test the importance of this factor, and little can be said concerning its validity.

Quite important seems to be the development of new industry on a regional basis. Towns in Cheyenne and Kimball Counties seem to have benefited from the oil industry and the revival of wheat farming out of the "dust bowl" disasters. Clay and Saunders Counties contain towns whose populations grew as an effect of great war plants in the vicinity. Places along the thru highways got the benefit of tourist business. New dams brought renewed life to towns in the Republican River valley. Dakota, Dodge, and Sarpy county towns grew because of their proximity to larger cities. All these influences can be seen in the figures for 1950. On the other hand, certain regional declines are noted. Southeastern Nebraska shows a general reduction in city and country population, possibly induced by its numerous flood disasters of recent years. The central part of the state also is receding more rapidly than most. Again, towns in the sand hills declined generally, in spite of the extreme prosperity of the cattle industry there.

All these factors put together do not account for the differences in the rate of growth or decline of individual towns in Nebraska. Much of the unexplained variation may be due to the spirit and determination, or lack of it, among the people who live in each city. Much can be done, given the will and the leadership.

EDGAR Z. PALMER